

## **PROCESS REVIEW**

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## **1. Overview**

### **1.1 Existing Procedures**

In the past, process reviews were generally initiated and scheduled annually by the Federal Highway Administration (FHWA) for selected areas of the federal-aid program. Presently, the only activities which FHWA uses the program review/product evaluation (process review) on non NHS projects are those activities required outside of Title 23 such as, Title 49, the Davis Bacon Act, the National Environmental Policy Act, and The Uniform Relocation Assistance and Real Property Acquisition Policies Act. FHWA process review teams are accompanied by Caltrans Local Assistance staff who monitor projects individually for compliance with all laws, regulations, and procedures developed to administer federal-aid projects. The process reviews are used to evaluate all aspects of the local agencies federal-aid project development program. Caltrans is responsible for participating in the initial review and all follow-up work identified by the review team.

### **1.2 New Procedures**

The process review will be the main method for determining if local agencies are in compliance with all laws, regulations, and procedures developed to administer federal-aid projects. The process reviews will be used to evaluate all aspects of the local agencies federal-aid program and improve procedures.

## **2. Methods**

A process review committee will guide and approve a multi-year process review monitoring plan. The committee will:

- select the review team leader.
- review for consistency and approve recommendations from the process review reports developed by the review teams
- resolve any problems which occur with the process review procedures.

The process review committee will consist of:

Chief, Program Management Branch (HQ, OLP)  
Chief Project Implementation Branch (HQ, OLP)  
Procedures Development Engineer  
Division of Structures Representative  
District Representative(s)  
FHWA Representative(s)  
Local Agency Representative(s)  
Metropolitan Planning Organization/Regional Transportation Planning  
Agency Representative(s)

A multi-year monitoring plan will be developed and implemented by Caltrans staff with adjustments made to it each December by the process review committee. The plan will outline the topics, schedule, method and goals desired for the process reviews. The review committee will approve the schedule for the next year based

on their evaluation of all process reviews completed within the last year. The Committee will select team leader(s). The review team leader(s) will select other team members and agencies to be reviewed. The team leader(s) are accountable for developing the format for the review plan (i.e., objectives, scope, and approach), and incorporating other team members' recommendations for the plan.

Process reviews will be initiated in accordance with the monitoring plan. The Caltrans District Local Assistance Engineer will schedule review team meetings with selected local entities.

Caltrans, in cooperation with FHWA and local agencies, will develop and lead initial reviews, and be responsible for follow-up work identified by the review team.

Prior to commencing a process review on a particular topic the review team will develop a plan. This plan will state the objectives and scope of activities to be studied. A checklist and series of questions will be developed before agencies are scheduled to be reviewed. The plan shall be approved by the review committee before reviews are held. Copies of each review plan will be forwarded to FHWA.

Each process review report will be submitted to the process review committee for approval. Once the committee has approved the report it is considered final. Copies of all final reports will be forwarded to FHWA for each process review conducted. The final report will include as a minimum:

- Objectives, scope, and approach used
- Findings
- Recommendations
- Action taken/Follow-up

### **3. Objectives**

The main objective of the report will be to provide management information and recommendations regarding the local agency federal-aid program.

Other objectives include the correction of deficiencies within the reviews area, documentation of existing deficiencies for future comparison, and evaluation of benefits derived from previous recommendations.

### **4. Findings**

Major project deficiencies are defined as:

Project review findings of such magnitude that the policies and objectives of Title 23 of the United States Code (and other applicable federal and state laws) are not accomplished by the project.

Example 1: Agency receives federal-aid funds for a project not on a federal-aid highway.

Example 2: Ineligible work billed to Caltrans.

Example 3: Contractor fails to pay prevailing wage rates

Major agency deficiencies are defined as:

Findings that a local agency's knowledge and compliance procedures do not accomplish the policies and objectives of Title 23 and other federal and state laws.

Example 1: Agency has no procedures in place to enforce requirement that a contractor pays prevailing wage rates.

Example 2: Right of Way staff is determined not qualified for acquisition, relocation, or appraisal duties.

Major procedural deficiencies are defined as:

Failure to follow procedures/requirements clearly identified in Local Programs Manual or on certification/checklists.

Example 1: A local agency replaces a bridge washed out with ER funds and later it is discovered that the bridge was programmed in the HBRR program for replacement.

Minor deficiencies are defined as:

Findings which do not jeopardize a projects funding. These findings will be pointed out during the review but generally will not be included in the report.

## **5. Recommendations**

Draft recommendations are made by Caltrans process review team and forwarded the process review committee. The process review committee reviews the report and approves recommendations to be forwarded to the FHWA California Division Administrator for concurrence. Upon FHWA concurrence, recommended procedural corrections will be developed and circulated through the LPP method. If sanctions are recommended they will be applied immediately after FHWA concurrence. Listed below are the types of recommendations to be included in the final process review report.

### **5.1 Procedure Corrections**

Review findings will be used to evaluate existing procedures. Procedure corrections that will assist local entities to comply with federal laws and regulation will be recommended in the report.

### **5.2 Request for Corrective Action**

All major procedural deficiencies will be brought to the attention of the administering agency. A request for corrective action will be recommended. Failure to correct the deficiencies will be grounds for sanctions.

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### 5.3 Sanctions

All major project or agency deficiencies require sanctions by Caltrans. Caltrans will recommend one of the following sanctions, depending on the severity and circumstances of the deficiency:

- Freeze on all future programming of federal funds until corrective action is implemented.
- Percentage of federal funds withdrawn.
- All federal funds withdrawn from program or project.

### 5.4 Appeals

The dispute resolution process can be used to appeal sanctions which the local agency does not agree with. Local Agency appeals shall be submitted to the State/Local Project Development Program Manager.

## 6. Monitoring Plan

An outline of the topics to be covered by the monitoring plan is listed below:

Project Planning and Programming  
    Congestion Management Plans  
    RTIP/FSTIP process and procedures  
    Project scope information  
    Project obligation process  
    Timely use of funds

Accounting procedures  
    Reimbursement Invoicing  
    Expenditure Reports  
    Audits  
    Project Costs

Project Management

Use of Consultants  
    Selection  
    Payment and Invoicing

Project Development and Design  
    Project Study Reports  
    Design Standards  
        Geometric  
        Signs and Markings  
        Structures  
        Pavement Structures  
        Drainage  
        Traffic Signals  
    Safety  
        OSHA  
    Plans, Specifications, and Estimates  
        Special Provisions

- Right of Way
  - Appraisals
  - Acquisition
  - Relocation
- Agreements
  - Master and Program Supplement
  - Cooperative
  - Utility
  - Railroad
  - Permits
  - Service Agreements
- Environmental mitigation
  - Documents/Permits

- Contracts
  - Advertisement
  - Bid Opening
  - Award
  - Detail Estimate
  - Finance Letters

- Construction
  - Payment and Invoicing
  - Materials Sampling and Testing
  - Traffic Control/Safety in Work Zones (OSHA)
  - Labor Compliance
  - Contract Administration
  - OJT Training
  - DBE/WBE Goals and Commitments
  - EEO
  - Contract Supervision and Inspection
  - Change Orders
  - Files/Records
  - Project Completion and Acceptance
  - Claims and Time Extensions
  - Environmental Mitigation during construction

- Maintenance
  - Local Agency Maintenance Program
    - Traffic Signals
    - Striping/Signing
    - Pavement
  - Bridge inspection

- ISTEA Management Systems

## **7. Goals**

The primary goal of these process reviews is for Caltrans to assure that requirements of the state and federal governments are being met and that proper procedures are performed by the administering agencies.

A secondary goal is to maintain a continual process to improve procedures for a more efficient and effective federal-aid program.

It is intended that the above topics shall be reviewed on a five year rotation. This rotation period may be adjusted depending upon budget and staff resources

allocated to the review function. Reviews will consist of random sampling of project documentation and formal visits with the administering agencies. Reviews may be completed by both individual staff and review teams .

## **8. Mini Process Reviews**

Some of the topics outlined in the monitoring plan will be evaluated by mini-process reviews on a less formal basis such as random sampling of project scope documentation, PS&E packages etc.. The difference between a mini process review and regular process reviews is that they are usually conducted over a small number of projects and are conducted by no more than three people. They are not scheduled by the process review committee and use standard formats such as the annual maintenance reviews conducted by the district.

Another form of a mini-process review will be through the distribution of questionnaires to selected entities to evaluate specific procedures used for federal-aid project activities. Responses from the questionnaire will be used as one criteria for determining if any agencies will be reviewed through the more formal process review method approved by the process review committee.

Mini-process reviews should be reported to the process review committee and FHWA in the same manner as regular process reviews.